

WHITE & CASE LLP

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Counsel to Ionic Digital Inc.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

CELSIUS NETWORK LLC, *et al.*,¹

Post-Effective Date Debtors.

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Chapter 11

Case No. 22-10964 (MG)

(Jointly Administered)

**NOTICE OF FILING OF IONIC DIGITAL INC.'S BUSINESS, OPERATIONAL,
AND GOVERNANCE UPDATE**

PLEASE TAKE NOTICE that at 1:00 p.m. (prevailing Eastern Time) on August 8, 2024, Ionic Digital, Inc., the MiningCo under the *Modified Chapter 11 Plan of Reorganization of Celsius Network LLC and Its Debtor Affiliates* [Docket No. 3577] (as amended, supplemented, or modified from time to time), released a press release to update its shareholders regarding various operational, financial, and governance matters. A copy of the press release is attached hereto as **Exhibit A**.

PLEASE TAKE FURTHER NOTICE that copies of the pleadings filed in the above-captioned chapter 11 cases may be obtained free of charge by visiting the website of Stretto at <http://www.cases.stretto.com/Celsius>. You may also obtain copies of any pleadings by visiting the Court's website at <http://www.nysb.uscourts.gov> in accordance with the procedures and fees

¹ The "Post-Effective Date Debtors" in these chapter 11 cases, along with the last four digits of each Post-Effective Date Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of the Post-Effective Date Debtor Celsius Network LLC's principal place of business and the Post-Effective Date Debtors' service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

set forth therein.

Dated: August 8, 2024
Chicago, Illinois

Respectfully submitted,

/s/ Gregory F. Pesce

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EXHIBIT A

IONIC DIGITAL INC. PRESS RELEASE

AUSTIN, Texas, August 8, 2024 /PRNewswire/ -- Ionic Digital Inc., a leading innovator in the bitcoin mining industry (the "Company"), today provided an update to their shareholders regarding various matters related to the Company.

Business Update

Ionic Digital is pleased to announce that Building 1 at its Cedarvale facility located in Ward County, Texas is expected to begin energization later this week. This milestone marks a significant step in the Company's expansion strategy, as the total energized load of the site will increase to 90 megawatts (MW) when Building 1's energization is complete.

The newly-constructed building is the first of four state-of-the-art 50 MW Bitcoin mining facilities planned for the site. It currently houses 15,552 Bitcoin miners, utilizing a combination of new and relocated machines to optimize performance and efficiency.

Once fully constructed and operational, the Cedarvale site is expected to house approximately 66,000 miners and be powered by 215 MW of electricity. The remaining three buildings, each identical in size and capacity to Building 1, are scheduled for energization in the coming months. The Cedarvale site will add to the Company's existing capacity of approximately 7 exahash as of July 31, 2024. The Company's mining operations from emergence through July 31 have produced approximately 1,331.47 bitcoin, and as of that date the Company possessed 1,891.68 bitcoin in total.

Leadership Changes

The Company also announced today a significant leadership transition. In July 2024, chief executive officer (CEO) Matt Prusak informed the Company's Board of Directors of his decision not to extend his employment agreement beyond its initial term, which concludes on August 14, 2024. The Board has initiated a comprehensive search for a new CEO and expects to appoint the Company's chief financial officer (CFO), John Penver, as Interim CEO to ensure a smooth transition and maintain operational continuity.

Emmanuel Aidoo, Chair of Ionic Digital's Board of Directors, expressed gratitude for Prusak's contributions: "We are grateful for Matt's leadership and the significant progress Ionic Digital has made under his guidance. His strategic vision has positioned us to become a leader in the bitcoin mining sector. As we move forward, we're confident that John Penver's experience as CFO will provide stable leadership during this transition period and keep the Company on its path towards becoming a public entity and a leading bitcoin miner."

Changes to Board of Directors

In June and July 2024, respectively, H. McIntyre (Mac) Gardner (a new Class B Director who replaced Asher Genoot) and Scott N. Flanders (who replaced Max Holmes) joined Emmanuel Aidoo (Chair), Thomas DiFiore, Scott Duffy and Elizabeth LaPuma on Ionic Digital's current six-member Board of Directors. The Board expects a second Class B Director to soon be appointed to fill the vacancy on the Board resulting from Steven Price's resignation in July 2024.

Mr. Gardner retired in 2008 from Merrill Lynch & Co., Inc. as the Head of Americas Region and Global Bank Group, Global Private Client. He has been a member of the board of Spirit Airlines, Inc. since 2010 and chairman of that board since 2013. Mr. Gardner has served on the boards of several other companies including Brilliant Light Power, an alternative energy venture company, Isola Group, a laminated PCB manufacturer, and Blucora, Inc., a formerly publicly traded technology-enabled financial solutions company, and has chaired the audit, compensation and nominating and governance committees on many of the boards on which he has served.

Scott Flanders is a seasoned executive with extensive experience in media, entertainment, and technology industries. He is an experienced independent director and currently serves as Chairman of two publicly listed companies: FTHM and DMS. Flanders is the former CEO and board member of eHealth, Inc., a position he held since May 2016. Prior to this, Flanders held CEO positions at several prominent companies, including Playboy Enterprises, Freedom Communications, and Columbia House. He also served as president of Macmillan Publishers from 1986 to 1998. Adding to his diverse skill set, Flanders is both an attorney and a Certified Public Accountant (CPA).

Auditor Update

In May 2024, RSM US LLP ("RSM") informed the Company that it would not be able to continue serving as the Company's auditor due to a strategic decision by RSM to disengage from all audit engagements with companies in the cryptocurrency sector. RSM's decision was not a result of any disagreements with the Company on accounting principles, practices, financial statement disclosure, or auditing scope or procedure. RSM's reports on the financial statements contained in the Company's SEC filings do not contain any adverse opinion or a disclaimer of opinion, nor were qualified or modified as to uncertainty, audit scope, or accounting principles.

The Company has made substantial progress in evaluating potential replacement auditing firms and is working diligently toward final selection and engagement of a new auditor. In order for the Company to include the required financial statements in its SEC filings, those financial statements must be reviewed by a certified auditor. Thus, the temporary absence of an auditor has prevented the Company from being able to update its SEC filings, which in turn has delayed Ionic Digital's efforts to become a public reporting company. Once a new auditor is engaged, the Company will work expeditiously to prepare the reviewed financial statements required to make future SEC filings needed to complete the process of becoming a public company. Additionally, the Company amended its managed services agreement with Hut 8 which, among other things, removed the liquidity deadline provision.

About Ionic Digital

Ionic Digital is North America's newest best-in-class bitcoin miner and emerging innovator in energy monetization. With facilities across North America, Ionic expects to have the ability to deploy up to 12.7 exahash to the Bitcoin Network. For more information, visit ionicdigital.com and follow us on X at @IonicDigital.

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